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ADMINISTRATION AS JOB CREATION:  
THE VALUE OF INCREASING ADMINISTRATIVE  
OVERHEAD IN EMPLOYMENT AND TRAINING PROGRAMS

by

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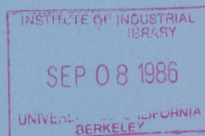
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I. The Problem

Creation of new administrative positions in employment and training programs is the one kind of job creation that national policy has consistently opposed. At the same time that "job creation" became a national slogan in public service employment (PSE) programs, caps were placed on the amount of administrative overhead in employment and training programs. While Department of Labor has placed increasing emphasis on program placement rates, there has been no investigation of outcomes for staff of these programs. This becomes a critical issue when staff are drawn, in many cases, from among the target population. Central administrative staff has most recently been drawn directly from the pool created by the public service employment program itself: about half of the prime sponsors in the Mirengoff study used PSE participants in their administrative units (Mirengoff, Rindler, Greenspan, and Harris, 1982). But many employment and training programs have consistently drawn staff from the target population, often explicitly attempting to represent the minority groups targeted in the local area. I will consider one such prime sponsor, comparing staff and client outcomes after they leave the agency.

It's not surprising that staff outcomes are not incorporated in national goals. The size and performance of the

administrative component has most often been viewed as a problem, an obstacle to program goals, rather than as a possible vehicle for solution. Administrative costs and activities have been a target for reform since the first passage of CETA (Comprehensive Employment and Training Act, first enacted in 1973; reauthorized in 1978). Suspicion of inappropriate administrative growth has occasioned explicit limits in every major piece of employment and training legislation since 1973.[1] In an early review of CETA prime sponsors, the Manpower Administration concluded that one of two major sources of obstacles to effective program performance was local administration; they focused on the problems of excessive administrative costs and internal management inefficiencies (Mirengoff and Rindler, 1976:75). In a series of reports issued two years later, administrative costs again emerged as central monitoring issue (Pichler, 1978:85; Muczyk, 1978:174). In PSE, administrative costs also grew much more rapidly than the program itself, rising from 3.7 percent in fiscal 1976 to 7.2 percent of total funds in 1978 (Mirengoff, Rindler, Greenspan, and Seablom, 1980:57-59).

Despite the obvious federal lack of faith in CETA administration, the administrative positions thus created are undoubtedly the clearest example we have of job creation: these were legitimate jobs, seen as important, often requiring hard work, and certainly not a substitute for previously existing local/state government positions. While national data is lacking on the number of positions created, the Mirengoff 28 special

study areas showed a systematic increase across the board in total staff from 1978-1980, from monitoring and evaluation to record keeping (Mirengoff, Rindler, Greenspan, and Seablom, 1980:Tables 3 and 4, pp. 62-63; personal research records, Orange County, Long Beach, and San Francisco). These staff don't have the "special project" stigma, nor are they discounted as a way to spend "free" money. Further, CETA staff had extensive networks with private employers, other local governmental agencies, state and federal level officials, and service providers, all potential sources of job information.

It might be expected, then, that when administrative staff left, they often went to a higher paying and more prestigious job. In contrast, clients under CETA have shown uniformly low placement rates and have seldom found jobs that provided upward occupational mobility. Extensive increases in monitoring and addition of staff concerned with placement did little to affect client outcomes; the rising unemployment rate overshadowed any effect, with the outcome a decreased placement rate over the 1978-1980 period (see Mirengoff, Rindler, Greenspan, and Harris, 1982:Table 67, p.272). Yet we have volumes of evaluations concerned with client outcomes, but not one paper on the staff outcomes. Though these outcomes are unintended, they are predictable on the basis of the same theoretical arguments. We thus ignore the best example of job creation - new tasks, new job titles, and legitimated positions.

After first reviewing views of public administration, uniformly negative, the theoretical underpinnings of job creation are briefly discussed. I then turn to the methods and results of the study of staff outcomes, compared to client outcomes, in two social agencies conducting employment and training programs. I conclude with a discussion of the theoretical and practical implications of the results.

## II. Negative Views of Public Administration

The "idea of activity as a merit is, when applied to bureaucrats, as deadly as the idea of activity among tuberculous bacillae" (Ezra Pound, 1973:219). This jaundiced view of public administration captures well what the general public and social scientists often express; Department of Labor and Congress simply reflect the general distrust in legislation and regulations. Public opinion polls show that distrust of government organizations stems from perceptions of inadequate or inept leadership (Lipset and Schneider, 1983:351-352).

Economists have traditionally viewed bureaucratic administration as inefficient compared to market coordination of activity (see von Mises, 1944; Downs, 1967; Niskanen, 1967). Recent revisions of early approaches suggest, however, that managers in the private sector can act efficiently: under conditions of team production, managers increase productivity in the firm by monitoring or metering worker behavior so as to reduce the deliberate withholding of effort, or shirking (Alchian and

Demsetz, 1972; foreshadowed by Mayo, 1945, and Scott et al., 1967). Since MANAGERS may also be likely to shirk when involved in tasks where outputs of individual workers cannot not be easily separated, they may also have to be monitored, and thus organizational hierarchies are necessary.[2]

The problem of defining expected outcome in public organizations complicates the study of the role of administrators. Also, "managers" in public bureaucracies are not subject to the same incentives, and thus are not thought to act efficiently under most circumstances. Niskanen (1971) has demonstrated that bureaucrats are budget maximizers. Because bureaus have a single sponsor, they exchange outputs for promised budgets rather than incremental goods for incremental prices. This leads to overproduction because the marginal cost of outputs always exceeds their marginal value to the sponsor.

Earlier sociological work has also documented obstacles to effective public administration. Weber noted the tendency to shift power to the administrator, and decried the general growth in public administration because it took control away from ruling officials and gave it to the "experts" (1906-1924, tr. 1946:232-235); Michels (1915, tr. 1949) pointed out that even organizations designed to give members political voice over time became dominated by an administrative elite ("the iron law of oligarchy"). Power inexorably shifts from the governed to the technical elite.

Finally, sociological research has shown that the administrative component tends to grow, sometimes outstripping other parts of the program, but when the program begins to decline, the administrative component does not decline as rapidly. In one study of public schools, the administrative component increased along with the size of the school, but in periods of decline it did not decrease in size at the same rate as the rest of the organization (Freeman and Hannan, 1975). Even more dramatic findings were reported in a study of the finance function in three city governments from 1890 to 1980 (Meyer, Stevenson, and Webster, 1985). Growth in organization for the finance function could not be adequately predicted by anything other than time itself. The only strong predictor of survival other than time after 1933 was the growth of new sub-units which effectively protected the survival of the larger unit. Extensive administrative structure protects organizations; when problems are encountered, they are resolved by proliferation of structure. The effects on growth are not minor. While Chicago, Detroit, and Philadelphia each had only four organizational units in 1890 responsible for finance functions, by 1975 Chicago had 63, Detroit 50, and Philadelphia 63 (Meyer, Stevenson, and Webster, 1985:163).



### III. Job Creation and Value of Administrative Overhead

"Job creation" became a national slogan; the idea was to open up new activities via PSE, providing at least job experience and possibly permanent positions. These public service jobs were supposed to be new, and PSE funds therefore not used to support routine local or state government activities, displacing local/state funding. The PSE job creation plans confronted numerous obstacles; while there is some evidence that some prime sponsors used the new funds to relieve pressure on local budgets, the major problems were caused by exogenous factors or by reenactment legislation itself. During the PSE build-up, the growth in public sector employment opportunities declined dramatically, limiting the possibility of transitioning to unsubsidized local or state governmental positions. Probably most troublesome, the reauthorization act tightened eligibility requirements and decrease the wage paid to PSE participants. There is evidence that satisfaction with the quality of PSE workers declined sharply in direct response. Job performance ratings of PSE staff in 28 prime sponsor areas dropped dramatically: while only 16 percent of the ratings in 1977 indicated below average performance, by 1980 fully 39 percent reported below average performance.

This new agenda for employment and training programs was not based on a theoretical model; it was based on political realities and on the need to rapidly employ large numbers of workers for counter-cyclical purposes. Prior programs, such as

"New Careers" that embodied similar conceptual models, were not explicitly used as a basis for PSE design. Further, the fact that CETA administrative staff positions could be viewed as analogous forms of job creation went unnoticed. Though there is probably more evidence of "creaming" to select the best staff, at least on motivational grounds, the value of legitimacy that program positions have also enhances the possibility of the staff person gaining in income and occupational prestige when he/she leaves the agency.

Unanticipated consequences of social action often on later reflection appear at least as significant as intended goal attainment (Merton, 1936; Weiss and Rein, 1970; Piven and Cloward, 1971 and 1977). This happens because social action programs are often focused on aspects of the social structure which are most resistant to change, since this resistance itself constitutes the social problem (Freeman, Jones and Zucker, 1979). Highly institutionalized systems, such as the occupational structure, create significant barriers to change for segments of the population. There is widespread agreement about the characteristics an applicant needs for specific jobs, despite the weak relationship between entry requirements and actual work-related requirements (Wachter, 1974; Hamilton and Roessner, 1980; Berg, 1970).[3] The resistance of these barriers to change, not a wide ranging set of specific program "weaknesses" (Weissman and Zucker, 1975), is responsible for the persistent failure of training programs to produce change

despite numerous program innovations (Gilbert, Light and Mosteller, 1975).

Why does job creation appear to lead to greater mobility, at least under some conditions? There are a number of explanations. First, new job titles create ambiguity about the characteristics, including training, experience, and personality attributes, needed for adequate role performance (see DeLaVergne and Blitz, 1975). Also, traditional job titles may be transformed when located in a new organization. For example, in most industrial firms personnel officers are thought to occupy routine jobs, while many new poverty agencies define the job as one requiring considerable expertise to screen community members for employment, either hiring or effectively "cooling out" those who have important political or community ties. Second, allocation to new job titles is less dependent on credentialling or prior work experience, with both the job search and vacancy-filling process differing significantly from other job openings (Granovetter, 1974:Ch. 3). Third, the pool of those seeking new positions consists of the relatively disadvantaged who are willing to take a risk on an occupation with an unknown career (Sewell, 1976). In contrast to institutionalized occupations which typically have a more well defined career ladder (Spilerman, 1977), emergent occupations and job titles are more likely to have varied career patterns (Scott, 1978; Lewis, 1970).[4]

Based on this reasoning, I predicted that the two training and employment programs would be able to produce little occupational mobility of clients: clients are trained and placed in stably defined occupations in static organizations, structures which are highly institutionalized. However, I predicted that unintended effects on staff occupational mobility would be much stronger, despite background and experience similar to that of their clients: staff are entering primarily new job titles (e.g., "manpower specialist") located in new organizations.

#### IV. Methods

The research problem requires a situation in which individuals with similar background and experience enter either newly created or pre-existing vacancies. Short of random assignment in an experimental design, reasonable information about background should include variables commonly found significant in determining occupational allocation (previous occupation, education, sex, ethnicity, age). Restricting the range of prior occupational status and the range of technological skills required, as is the case in social agencies, also has the advantage of controlling for alternative causes of mobility.

#### The Setting

A group of new community-based social agencies have emerged in the past two decades to serve the poor and disadvantaged. Existing welfare organizations were altered to enable them to

direct more effort to the poorer segment of the population. One result of these changes was the creation of new job titles unique to the programs, such as "Job Developer" or "Program Monitor". Another result was the use of new criteria to determine how pre-existing vacancies would be filled. For example, it became important to have a black placement officer in the State Employment Service serving as a counselor who could relate well to black clients.

While the positions were generally expanding and changing in the new and "reformed" organizations in which staff pursued their careers, clients were trained in traditional occupations and placed in established firms. In examining the effects of organizational context, the agency experience (training for clients, a job for staff) is taken as the treatment variable, and correspondence between pre-agency and post-agency occupational status as an indicator of effect of type of vacancy. Stratification variables, including sex, age, ethnicity, and education, are included in the analysis, to examine the independent effect of the treatment variables on occupational outcomes.

### The Sample

The two largest new social agencies involved in training and employment programs in San Francisco were selected for study because both clients and staff had low education, were minority group members, and had held jobs which were poorly paid and low

in status, jobs in the "secondary labor market" (Reich, Gordon, and Edwards, 1973). After intensive observation of all major social agencies in San Francisco that delivered employment and training services over a two year period, it was determined that staff of the new agencies were very similar in terms of their life history to the clients they served. Similarities in motivation and personal style were also noted, echoing findings of similarity in earlier studies by labor economists (Piore, 1969: 108): "The (job) recruiters in the ghetto are...more attracted to hustlers, who tend to be brighter and more interesting than other workers....Jobs in manpower programs do utilize the skills of hustlers and hire a relatively large number of ex-hustlers as recruiters."

The basic data obtained for clients and staff were job histories focusing on the job held prior to the agency experience, the agency job or training period, and the first job obtained after leaving the agency. For the most part, standard census and occupational status measures were obtained. Some simplification was necessary because of language difficulty for part of the sample. Out of a universe of 235 staff who left the agency during the time in question, 165 were contacted, with 4 refusals to be interviewed. Of the 161 interviews, 138 were usable (for others, the agency job was their first job or the only job reported). Similarly, not all client data could be used in the analysis. Out of 299 cases, files were not complete for 56 clients (19%) and there was no information regarding a

prior or subsequent job for 59 clients (20%). Thus, the sample available for the main analysis was 184. The follow-up survey, conducted ten years after the first wave and using the same survey instrument, reduced the sample size in each case by about half (72 staff, with no refusals; 89 clients, with 6 refusals). Because the sample was reduced so sharply in the 1984-1985 follow-up, it was decided to analyze the two waves separately.

At the time of the initial survey, a small sample of current staff (24), evenly distributed between the two agencies, was asked the same questions (except post-agency) in a face-to-face interview. This sample was stratified by position in the agency, and had a relatively high refusal rate (out of 36 contacted, 12 or 33% refused to be interviewed because of an expressed concern about the use of the data). The purpose of this interviewing was to assess whether those who had left the agency were different from those who remained in terms of previous occupation, education, or minority status. No significant difference was found, perhaps because the reason for leaving generally was the instability of the agencies themselves, with slightly under half the staff leaving involuntarily (primarily through layoffs as funds were cut) during this period.

### Procedures

Multiple data sources were used. Occupational change of the agency staff was measured in a combined mail and telephone survey of the staff who had left either of the agencies from

December, 1971 until February 1973. Retrospective employment histories were obtained. Follow-up data on the clients served by manpower programs during this same period were obtained from agency files, and clients in a randomly selected sample were contacted by telephone to verify the accuracy of the information. Data were collected from files on clients in 1974 and from mail survey and telephone interviewing of staff in 1975, concerning the same period. A second wave of the study was conducted ten years later (1984-85), to see if the relative differences in staff/client occupational attainment remained. Since there were a higher proportion of clients in the 20-25 age group, it was possible that some of the relatively lower attainment of clients was due to first job effects. Though there was a non-significant age distribution difference between clients and staff, allocation to first jobs is known to differ systematically from allocation processes later in the career.

Occupational status was measured using the 1970-basis Duncan Socio-economic Index (SEI) scores (Featherman, Sobel, and Dickens, 1975). Both pre- and post-agency occupational status were assessed for staff and clients, along with the agency job status for staff. No comparable index to assess newness of job titles or other aspect of occupational institutionalization exists, so measures of intersubjective agreement and certainty were employed (see Zucker, 1977a). First, during coding the detailed Census occupational categories and assigning the Duncan SEI scores, problems in determining codes were tabulated.



Considerable difficulty in using the existing Census occupational categories were reported for nearly 35% of the staff agency occupations. "Considerable difficulty" was operationally defined as needing to consult other coders to determine the appropriate code. Pre- and post-agency occupations for both staff and clients posed no such difficulty: In less than 4% of the cases were other coders consulted.

As a further check on this rather indirect measure of degree of institutionalization, two raters independently coded the full set of occupations in terms of major tasks, necessary educational background, and previous experience needed to perform the tasks. There was substantial agreement in at least two of the three areas for pre- and post-agency jobs. In slightly over 61% of the agency occupations, the raters disagreed on at least two of the three areas.

Thus, problems in determining how institutionalized an occupation is could only be solved indirectly. In contrast, organizational context is a relatively straightforward problem: both employment and training programs were created in the late 1960s. Of the organizations in which clients were placed, only one had been created after 1965, and it employed only four of prior agency clients or about 2% (client employers tended to be large, well established firms, such as Safeway Markets, major insurance companies, and various oil companies with headquarters in San Francisco).

The major problem in examining intragenerational mobility is that such data are change data, for which there is no widely accepted method of analysis. Other than the vacancy chain model (White, 1970a and b) most attempts at analysis of mobility data have involved the Markov model. Neither of these models is well suited to the data at hand. Analysis of gain scores appears questionable (Lord, 1963) and various techniques have been proposed to deal with the problems of unreliability in the measurement of change. Of these, Bohrnstedt's two-stage procedure utilizing residualized scores obtained by least squares procedures in an analysis of covariance was chosen for the analysis of the data on occupational status change for the initial study. Follow-up results, because of the reduced sample size, are examined separately using a simple chi-square analysis.

## V. Results

The results of the first survey will be presented in some detail, followed by a brief discussion of the follow-up information.

### Immediate occupational outcomes

#### - TABLE 1 ABOUT HERE -

Table 1 presents the statistics on sex, age, ethnic background, and education, within staff and client groups. For the most part, the differences are not large. However, clients

are slightly younger than staff (in the 20 to 25 age bracket), with staff having a slightly higher proportion than clients in ages where mobility is the highest (26-39). Such differences in age, however, have not been found to have much effect beyond the first job in a career, most especially not for low status occupations (Wolf and Rosenfeld, 1978; Lipset and Malm, 1955).

- FIGURE 1 ABOUT HERE -

Figure 1 gives the mean Duncan Socioeconomic Index scores for pre-agency, agency (staff only), and post-agency occupations. The average gain for staff is large. Most of the increase is accounted for by the pre-agency/agency job difference, as predicted, but some further increase occurs in change from the agency to the post-agency job. In comparison, clients maintain much the same SEI scores in their pre- and post-agency occupations, though there is a slight increase. Such a difference might be explained by differing time in the agency (length of exposure to treatment), but this was similar (10.1 months for staff and 8.6 months for clients). The similarity, somewhat unusual for programs of this type, can be explained by the joint occurrence of the termination of several long-term training programs for clients and the sudden termination of agency staff (in part on the basis of seniority) due to funding cuts during the time period of study.

- TABLE 2 ABOUT HERE -

Table 2 presents the means, standard deviations and inter-correlations for all variables used in the analysis. The prin-

cipal reason for reporting these data is that the two-stage procedure used here does not permit separate estimates for pre-agency occupational status (pre-SEI), since the variables are first regressed on pre-SEI before determinants of post-agency occupational status (post-SEI) residuals are calculated. Though not statistically reliable, the relations indicate that education is much more strongly associated with pre-SEI than with post-SEI, and that pre-SEI is not strongly associated with staff/client, sex, race, or age.

- TABLE 3 ABOUT HERE -

Table 3 presents the results of the covariance analysis of the residuals of post-agency occupational status (post-SEI). Testing for no interaction ( $.005$ ,  $F = .54$ ), it can be asserted that the effects of the independent variables did not vary much by staff/client status, permitting valid multivariate application of the analysis of covariance. The overall  $R$  equals  $.21$ , with staff/client having the only significant effect on post-SEI. As predicted, sex, race, age and education all have insignificant effects on post-SEI. The difference in post-agency occupational status between staff and clients is striking: clients average about 14 points lower than staff on post-SEI residuals.

Before turning to a consideration of the direct effect of agency occupational status for the staff, the relative contributions of the two major classes of independent variables to post-SEI for both staff and clients need to be further

considered. This will be done in terms of the unique contributions to explained variance of determinants suggested by the concept of job creation as compared to determinants suggested by stratification theories stressing socioeconomic background variables and education. Biographical variables have a unique effect of .01 on post-SEI; staff/client has a unique effect of .19 on post-SEI (see Table 6 at the end of this section). Hence, substantially more is explained by staff/client than by biography, strongly supporting the predictions. The clearly pivotal role of the agency experience can now be more fully investigated.

Only staff have an agency occupation from which to determine an SEI score. After exploring several strategies for computing values for clients, it was determined that no reasonable method exists; hence, direct comparison between staff and clients cannot be made. Since separate client/staff regressions would allow interaction to occur (slopes would differ), differences in intercepts would not be interpretable. The most reasonable procedure is to examine only the staff to assess the effects of biographical variables on agency SEI and the effects of agency SEI on post-SEI scores.

- TABLE 4 ABOUT HERE -

Table 4 presents results for staff only. Again, there are negligible interactions, with an R of .18. Examination of the effects of each independent variable on agency occupational status, two (sex and race) have insignificant effects. Age and

education, with education particularly strong, both have significant effects on agency SEI. This finding appears contrary to hypothesized lack of effects of biographical variables, but it should be noted that they affect internal allocation among agency jobs, not entry into the agency job. Further, the overall variance explained is low in comparison to that explained in the analysis of post-SEI residuals: The best interpretation is that among biographical variables, education has a strong effect and age a weaker one on internal allocation within the agency, with sex and race showing no significant effect on occupational allocation within the agency.

- TABLE 5 ABOUT HERE -

Table 5 presents the results of the analysis of the post-SEI residuals for staff only, permitting evaluation of the role of the agency job in determining the status of the occupation entered by staff after leaving the agency. Here, biographical variables are all insignificant, with agency SEI having a very strong effect on post-SEI. Again disregarding negligible interactions,  $R = .32$ . Thus, as predicted, agency SEI has the main effect on post-SEI for staff.

The strength of this finding can be more fully appreciated by comparing the relative contributions of the two major classes of independent variables on post-SEI. As is the case with the staff/client comparisons, unique contributions to explained variance by determinants (here either biographical or agency SEI) provide the best basis for comparison. Biographical vari-

ables for staff have a unique effect of .08 on post-SEI; agency SEI for staff has a unique effect of .22 on post-SEI for staff. Hence, substantially more variance is explained by the agency SEI than by biographical variables, lending support to the structural effects of new agency jobs. Table 6 summarizes the unique effects of the major independent variables for staff/client post-SEI and for agency SEI. As established earlier, no direct comparisons can be made between these two sets of results: however, each is in the direction predicted.

- TABLE 6 ABOUT HERE -

Because a large proportion of the staff left involuntarily (58 or 42.3%), an additional analysis, adding the independent variable of voluntary versus non-voluntary reasons for leaving the agency job (voluntary/involuntary) was performed. Sorenson (1974) argues that involuntary leaving would have a negative impact on job search and therefore on the status of the next job. However, involuntary leaving did not have the predicted negative impact: Unique variance contributed by reason for leaving was .0003.

Overall, the results of initial labor market outcomes following the agency experience provide very strong support for the hypothesized relationship between new job titles and changes in occupational status. Competing predictions made on the basis of traditional stratification theory were not well supported: effects of other biographical factors were weak. Only in internal allocation of agency jobs did any biographic variables

emerge as significant; even in this case they did not explain much of the variance in agency SEI, compared to the explanatory power of variables in the other analyses reported here.

Analysis of the effects of agency occupational status on subsequent post-agency status for staff strongly supported the effects of new job titles, with agency occupational status explaining a significant amount of the variance in post-SEI. Again, effects of biographical factors were weak, as were reasons for leaving the agency job.

#### Follow-up results

The results of the 1984-1985 survey are reported in Table 7. Since the sample was reduced sharply, analysis relies on simple chi-square computations to see if the differences in attainment of clients and staff are still significant after ten years. The difference in SEI scores has widened slightly over time, comparing to Figure 1, with the staff maintaining the gains, the clients losing part of the small gain they had over the program.

#### - TABLE 7 ABOUT HERE -

Because sample attrition was so severe, few conclusions can be reached on the basis of these findings. Those staff and clients who were lost from the sample because of geographic mobility are probably significantly different from those who remained in one place over the ten year period. The periodic post cards asking for address change information were more



likely to be returned without forwarding information for clients; more staff in the sample were lost through death.

## VI. Theoretical and Policy Implications

Examination of the unique effects of biographical, staff/client, and agency occupational status variables reveals the relatively strong effects of the staff/client as compared to biography and, for staff, of agency occupational status as compared to biography. The pivotal role of the agency occupational status for staff emerges as the strongest finding. Some indication that staff gains in occupational status are maintained over a ten year period provide further support for the ideas concerning the role of job creation - especially when the jobs are legitimate, and involve the extensive use of networks outside the organization. I have not examined internal routes of mobility, simply because they are not available to clients; similar effects should be expected within organizations.

The approach taken here differs in important respects from earlier attempts to define the malleable variables in the occupational attainment process: it identifies the role of new job titles and occupations in determining long term processes of occupational allocation. It also points out that public administration, usually slandered in the social science literature and by a wide spectrum of the public, does serve important functions, albeit often unintended.

A number of alternative explanations of the results of this analysis can be made, but none are as convincing as the straightforward interpretation of job creation. Competing explanations generally either explain the lack of client occupational mobility, or the presence of staff mobility, but fail to account for both. As discussed earlier, systematic personality differences are unlikely (Piore, 1971; Weissman and Zucker, 1975). Different job search and vacancy-filling processes probably do operate, but are consistent with the institutionalization approach. Further, there are few differences in the characteristics of the labor market for pre-agency occupations for staff and clients; the majority of jobs for both groups are located in the secondary labor market (Doeringer and Piore, 1973), which is generally expected to pose significant barriers for occupational mobility. The rate of expansion of labor markets entered by clients and staff after the agency experience also appears comparable (California Employment Development Department, 1975).

Staff and clients thus enter the agency at about the same point in their careers, with similar pre-agency investments and outcomes, though both groups are somewhat atypical of San Francisco poor, being younger and better educated (U.S. Bureau of the Census, 1972). Yet their post-agency experience is strikingly different. Were it not for the fact that the principal status gain for staff occurs between the pre-agency and agency occupation, a labeling interpretation might be plausible:

the staff are labeled competent, the clients incompetent, with subsequent careers dependent on that labeling. Indeed, there is undoubtedly some effect, but labeling does not provide a sufficient explanation. Not only are the staff patterns of mobility inconsistent with a labeling perspective, but also clients frequently list on-the-job training as a regular job and hence potential employers are often unaware of the program experience (Weissman and Zucker, 1975).

### Social Policy

A large body of evidence demonstrates the ineffectiveness of most social interventions, with employment and training programs among the weakest (Subcommittee on Fiscal Policy, 1972; National Urban Coalition, 1971; Mirengoff, Rindler, Greenspan, and Harris, 1982). Social agencies experience real pressure to solve specific problems and seldom set aside the resources to examine the different approaches which might be used to serve clients. Approaches are generally based on expedient conformity to the "state-of-the-art" rather than any kind of conceptual framework. Thus, in spite of explicit goals focused on social mobility of clients, social programs have not been grounded in theories of mobility, nor have they taken into account available empirical findings on the major social structural variables which affect individual life chances. If the evaluation researcher evaluates such programs in terms of manifest goals, the results will often be misleading; unintended effects will

often emerge as very significant, simply because no conceptual model guided the program development (Zucker, 1977b).

Based on the findings reported here, employment and training programs modeled on the PSE job creation strategy, coupled with some aspects of the "New Careers" strategy (Pearl and Riessman, 1965), would appear most promising. In New Careers, jobs were generally located in existing agencies and were restructured "aide" positions with relaxed entry requirements. Though mobility of those who stayed with the program was relatively high, the dropout rate was also high; the program was exceedingly difficult to administer because of the complex negotiations needed to create aide positions. Much can be learned by examining the employment histories of staff in the two agencies I investigated; job restructuring may not be necessary, with new job titles eliminating some of the obstacles faced in New Careers.

While the staff gain in occupational status is a significant unintended consequence, and a sufficient reason for relaxing administrative overhead restrictions only recently tightened again in JTPA (to 15 percent, with no enrollee stipends), few would be willing to assert that the agencies' goals should be changed to focus on staff employment gains. Rather, a thorough revision of policy guiding employment and training programs based on a firmer understanding of the occupational structure should produce new approaches which can create more significant employment gains among clients.

## NOTES

[1] The bias against public administration is stronger than this indicates. Suspicion of administrative incompetence and even malfeasance lead to extensive monitoring requirements through CETA and to the creation of Independent Monitoring Units (IMUs) in the reauthorization act in 1978.

[2] Sociologists have conducted the bulk of research on the role of managers. Dornbusch and Scott (1975; see also Scott et al., 1967) directly examined the evaluation process, focusing on the effects of task definition on the kind of monitoring/metering conducted. Generally, active tasks in which process is uncertainly tied to outcome, such as surgery, require complex evaluation, because outcomes are not sufficient grounds for evaluation - even if the surgery is conducted perfectly, the patient may die. Inert tasks in which process is directly tied to outcome, such as typing a letter, can be readily evaluated in terms of outcome. Both sociologists and economists have examined the increase in the administrative component in the private sector, and most have concluded that it decreases productivity (for the strongest statement, see Melman, 1951). Since in U.S. manufacturing the category "nonproduction workers" includes scientists and engineers, others have treated the growth in administrative costs as a form of firm investment (Delehanty, 1968); neo-Marxists have viewed the rise in administration as an outright attempt to control workers (Edwards, 1979).

Other research on the management role has focused on effects of changes in leadership. Changes in leadership have positive effects on plant productivity (Guest, 1962), on adjustments to environmental change (Meyer, 1975), and on proportion of wins in sports competition (Grusky, 1963). However, a number of other studies have found negative or null effects of leadership succession (see Gouldner, 1954, and Lieberman and O'Connor, 1972). Note, though, despite the general sociological focus on public organizations, that only the Meyer study examines the public sector.

[3] There is also evidence of increasing reliance on educational attainment in recent studies of occupational attainment, and decreasing reliance on individual traits such as achievement motivation (Porter, 1974; Featherman, 1972; Nelson, 1972; Kerkhoff).

[4] Of course, sharp increase in demand in a job category can also lead to employment of workers not considered qualified under "normal" labor market conditions. This has been considered extensively elsewhere, and generally causes only a very temporary alteration of the job matching process. Funding is not practical for a system that would create such sharp

increases in demand; few employment and training programs have been able to obtain information and/or to alter program design rapidly enough to take advantage of rapid shifts in demand.

[5] Newness of vacancies depends on organizational age, though the rate of growth introduces important independent effects (Keyfitz, 1973). Most organizations of the type employing clients have shown small but steady rates of expansion during the period in which the two social agencies were formed (California Employment Development Department, 1975). Because of the large number of organizations employing clients no independent attempts to assess expansion were made.

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# SOCIAL CHARACTERISTICS

SEX		AGE (in years)					ETHNICITY		EDUCATION (in years)					
		20-25	26-35	36-45	46-55	56-55	White	Non-white background	1-8	9-1	12	13-14	15-16	17 and over
Staff (N=138)	Male	49.3%	14.8%	49.1%	28.3%	6.4%	1.4%							
	Female	50.7%	14.8%	49.1%	28.3%	6.4%	1.4%	73.2%	4.3%	17.1%	26.1%	17.4%	20.5%	14.6%
Clients (N=184)	Male	53.3%	24.9%	35.2%	34.3%	5.2%	0%	19.8%	2.1%	16.9%	28.3%	16.3%	23.9%	12.5%
	Female	46.7%	24.9%	35.2%	34.3%	5.2%	0%	80.2%	2.1%	16.9%	28.3%	16.3%	23.9%	12.5%

Table 1: Social Characteristics of Staff and Clients in the Two Social Agencies

DUNCAN SOCIO-ECONOMIC STATUS INDEX SCORES

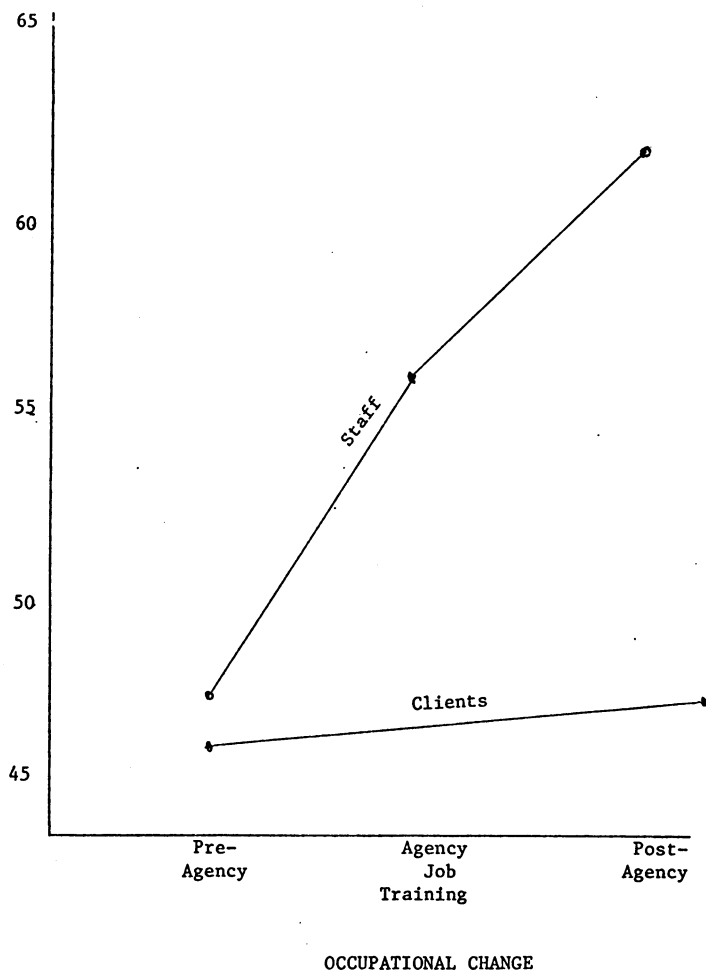


Figure 1: Staff and Client Mean SEI Scores from Pre- to Post-Agency Jobs

TABLE 2: CORRELATION MATRIX FOR VARIABLES USED IN TWO-STAGE LEAST  
SQUARES ANALYSIS

VARIABLES	STAFF/CLIENT	SEX	RACE	AGE	EDUC	PRE SEI	AGENCY SEI*	POST SEI
STAFF/CLIENT		-.04	.22	-.05	.04	-.04	Not computable*	-.42
SEX			-.06	-.16	-.18	-.03	-.03	-.03
RACE				.06	-.11	-.18	-.15	-.20
AGE					.28	.19	.19	.13
EDUC						.57	.47	.30
PRE SEI							.44	.42
AGENCY SEI								.57
POST SEI								
X	1.57	1.48	1.83	33.49	13.35	45.76	56.14	54.02
SD	.50	.50	.38	8.24	2.79	22.05	20.26	17.68
N	322	322	322	321	322	321	138	322

\*Staff Only.

SEI RESIDUALS

	b	B	S.E. of b	F	Sig.
Staff/Client	-14.39	-.44	1.67	74.18	p<.001
Sex	- 0.91	-.03	1.65	.30	NS
Race	- 1.47	-.03	2.22	.44	NS
Age	0.28	.01	0.10	.07	NS
Ed	0.36	.06	.31	1.41	NS
PRE SEI					

$R^2$  = .21

Table 3: Determinants of Post-SEI Residuals<sup>\*</sup>

\* High on staff/client, on sex=female, on race=nonwhite.

Note: First regressed on pre-SEI scores.



Agency  
SEI Residuals

	b	$\beta$	S. E. of b	F	Sig.
Sex	2.30	.06	3.12	.54	NS
Race	- .44	-.01	3.60	.02	NS
Age	.32	.13	.19	2.89	p < .05
Ed	1.87	.30	.60	9.77	p < .001

$$R^2 = .18$$

Table 4: Determinants of Agency SEI Residuals (Staff Only)\*

\*High on sex = female, on race = non-white.

Note: First regressed on pre-SEI scores.

			<u>Post-SEI</u> <u>Residuals</u>		
	b	$\beta$	S. E. of b	F	Sig.
Sex	-1.72	-.05	2.56	.45	NS
Race	- .97	-.02	2.94	.11	NS
Age	.39	.02	.16	.06	NS
Ed	.32	.06	.51	.40	NS
Agency SEI	.40	.45	.07	30.91	p < .001

$$R^2 = .32$$

Table 5: Determinants of Post-SEI Residuals (Staff Only)\*

\*High on sex = female, on race = non-white.

Note: First regressed on pre-SEI scores.

Unique Effects

	<u>Staff/Client</u> <u>Post-SEI Residuals</u>	<u>Staff</u> <u>Post-SEI Residual</u>
Biographical	.01	.06
Staff/Client	.19	
Agency SEI		.25

Table 6: Unique Effects of Biography and Staff/Client Variables on Post-SEI, and Unique Effects of Biography of Staff and Agency SEI of Staff on Staff Post-SEI.